

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6269-01
Bill No.: HB 1998
Subject: Taxation and Revenue - Income; Revenue Department; Licenses - Driver's;
Health Care Professionals
Type: Original
Date: April 10, 2012

Bill Summary: This proposal changes various provisions relating to health services and fees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$220,167) to Unknown	(\$217,805) to Unknown	(\$220,031) to Unknown
Total Estimated Net Effect on General Revenue Fund	(\$220,167) to Unknown	(\$217,805) to Unknown	(\$220,031) to Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Springfield Police Department, Jefferson City Police Department, Boone County Sheriff's Department, Office of Administration, Department of Social Services, Department of Health and Senior Services, Department of Public Safety - Missouri Highway Patrol, Department of Corrections, Department of Insurance, Financial Institutions and Professional Registration, and Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from this year (HB 1210), officials from the **Office of Administration - Budget and Planning** assumed this proposal would not result in additional cost or savings to their organization.

In response to a similar proposal from this year (HB 1210), officials from the **Excelsior Springs Medical Center** assumed there would be no fiscal impact to their organization since their organization does not operate on ambulance service.

In response to similar proposals from this year (HB 1210 and SB 642), officials from the **Office of the State Courts Administrator** assumed this proposal would not have a fiscal impact on their organization.

Officials from the **Office of Prosecution Services** assume the proposal will have no fiscal impact on their agency, however, creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional cost which are difficult to determine.

Officials from the **Missouri Lottery Commission** stated IT programming would be necessary to the Lottery Checking Writing System to accommodate for the new offset category. Staff resources would be necessary to process the offsets.

Oversight assumes the IT programming cost and staff time for additional payment offset could be absorbed by the Lottery with existing resources. If unanticipated additional cost are incurred or if multiple proposals are implemented, resources could be requested through the budget process.

ASSUMPTION (continued)

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of endangerment of emergency personnel or emergency responder - a new Class C misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Section 143.789

Officials from the **Department of Revenue (DOR)** assume this proposal would provide DOR with the authority to offset an income tax refund in specific situations and would provide the order of priority in which offsets would be paid. DOR and ITSD-DOR would need to make programming changes to various processing systems.

Section 143.790

DOR officials assume that Personal Tax would require two additional FTE Revenue Processing Technician I (Range 10, Step L) to process correspondence and do apportionments, and one additional FTE Accountant I (Range 18, Step M) to administer the money. DOR does not include an Accountant II in its pricing structure, this range and step only approximates the actual range and step.

ASSUMPTION (continued)

DOR officials also assume that Collections and Tax Assistance would require one additional FTE Tax Collection Technician I (Range 10, Step L) per 15,000 additional contacts annually on the delinquent tax line, one additional FTE Tax Collection Technician I (Range 10, Step L) per 24,000 additional contacts annually on the non-delinquent tax line, and one additional FTE Revenue Processing Technician I (Range 10, Step L) per 4,800 additional contacts annually in the Tax Assistance Offices.

The DOR estimate of cost to implement this proposal including six additional FTE and the related employee benefits, equipment, and expense totaled \$250,760 for FY 2013, \$255,815 for FY 2014, and \$258,496 for FY 2015.

Oversight assumes the DOR estimate of expense and equipment cost for additional FTE could be overstated. If DOR is able to use existing equipment such as desks, file cabinets, chairs, etc., the estimate for equipment for fiscal year 2013 could be reduced by roughly \$5,000 per employee.

Oversight has, for fiscal note purposes only, changed the starting salary for the additional positions to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. Oversight has also adjusted the DOR estimate of expense and equipment cost in accordance with OA budget guidelines. Finally, Oversight assumes that a limited number of additional employees could be accommodated in existing office space. If unanticipated costs are incurred as a result of the implementation of this proposal or if multiple proposals are implemented which increase DOR costs or workload, resources could be requested through the budget process.

IT impact

Department of Revenue (DOR) officials also provided us with an estimate of the IT cost to implement the proposal of \$120,204 based on 4,536 hours to make programming changes to several tax processing systems.

Oversight assumes ITSD-DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes ITSD-DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, ITSD-DOR could request funding through the appropriation process.

ASSUMPTION (continued)

Oversight assumes that the proposed DOR collection assistance fee would generate additional revenue but cannot determine whether the revenue generated would offset the expected DOR costs to operate the notification, appeal, hearing, and other costs required to implement this proposal. Oversight will use the DOR estimate of cost to their organization, as adjusted, and will indicate an unknown amount for collection assistance fee revenue.

In response to a similar proposal from this year (HB 1210), officials from the **Taney County Ambulance District** assumed this proposal would have a positive impact on their organization but did not provide an estimate of the amount of additional revenues which might be collected.

Oversight did not receive any other responses from Missouri ambulance or fire protection districts.

Although Oversight is not able to estimate the number or amount of unpaid ambulance service accounts which might be collected, Oversight assumes there would be a significant number and significant amounts involved. Oversight also notes that a significant number of ambulance service providers are local government agencies. For fiscal note purposes, Oversight will indicate unknown additional revenue to local governments for this proposal.

Section 143.790

Department of Revenue states total state revenue will be increased by \$14 for every refund offset. The Department has no current estimate on the annual number of offsets for this program.

Section 302.302

Officials from the **Department of Revenue - Driver License Bureau** estimates 40 hours of system testing for on Administrative Analyst I at \$16 per hour or \$640.

Officials from the **Department of Revenue - Information Technology (OA-ITSD)** estimates 40 hours for 1 full time employee valued at \$1,060 to make the IT changes that would be necessary for this proposal.

In summary, DOR assumes a cost of \$1,700 (\$640 + \$1,060) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

ASSUMPTION (continued)

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Section 302.291

Department of Revenue states the proposed changes will require the Department to modify current forms, procedures and website information related to reporting of impaired or unsafe drivers. This will require:

Driver Licenses Bureau

Management Analyst Specialist II	10 hrs @ \$23 per hr = \$230
Revenue Band Manager	10 hrs @ \$30 per hr = <u>\$300</u>
Total	= \$500

Personnel Service Bureau

Administrative Analyst III	10 hrs @ \$22 = \$220
Management Analysis Specialist I	40 hrs @ \$20 = \$800
Management Analysis Specialist I	40 hrs @ \$20 = <u>\$800</u>
Total	= \$1,820

In summary, DOR assumes a cost of \$2,320 (\$500+ \$1,820) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND (Section 143.790)			
<u>Revenue - Department of Revenue</u>			
Collection assistance fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Cost - Department of Revenue</u>			
Salaries (6 FTE)	(\$116,400)	(\$139,680)	(\$141,077)
Benefits	(\$61,110)	(\$73,332)	(\$74,065)
Expense and equipment	(\$42,657)	(\$4,793)	(\$4,889)
Total	<u>(\$220,167)</u>	<u>(\$217,805)</u>	<u>(\$220,031)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$220,167) to Unknown</u>	<u>(\$217,805) to Unknown</u>	<u>(\$220,031) to Unknown</u>
Estimated net FTE impact on General Revenue Fund	6	6	6
 <u>FISCAL IMPACT - Local Government</u>	 FY 2013 (10 Mo.)	 FY 2014	 FY 2015
LOCAL GOVERNMENTS (Section 143.790)			
<u>Additional revenues - collection of unpaid ambulance service bills</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact to small businesses which provide ambulance services.

FISCAL DESCRIPTION

Currently, the Department of Health and Senior Services processes claims submitted by hospitals and health care providers requesting an offset of income tax refunds to satisfy an outstanding debt owed by a taxpayer. This proposal repeals the provisions regarding the process by which the department requests offsets and authorizes an entity designated as a claim clearinghouse to process and verify requests for an offset for ambulance service providers of taxpayer income tax refunds and lottery winnings to satisfy outstanding debts for ambulance services received. Prior to utilizing the clearinghouse, an ambulance service provider must give certain notices to patients and allow for various levels of review and appeals of their claims. A collection assistance fee allocated between the clearinghouse and the Department of Revenue is assessed to each offset for the costs of collecting the debt. Claims for debts owed to ambulance service providers requesting an offset will receive the least priority as specified in Section 143.789, RSMo.

The proposal adds any emergency medical technician licensed pursuant to Chapter 190 to the list of individuals who can report to the Department of Revenue any person diagnosed or assessed as having a disorder or condition that may prevent him or her from safely operating a motor vehicle in order to provide the department director with good cause to believe that the operator is incompetent or unqualified to retain his or her driver's license.

The proposal changes the laws for moving violations and traffic offenses occurring within an active emergency zone. The proposal:

- (1) Increases the penalties for moving violations and traffic offenses occurring within an active emergency zone which is defined as an area that is visibly marked by emergency responders on, or around, a highway, and where an active emergency or incident removal is temporarily occurring;
- (2) Requires any person convicted of a first moving violation or traffic offense within an active emergency zone to be assessed a fine of \$35 in addition to any other fine authorized by law. A second or subsequent offense will result in a \$75 fine;
- (3) Specifies that a person will be guilty of a class C misdemeanor for passing another vehicle in an active emergency zone. A person who pled guilty to or is convicted of a speeding or passing violation will be assessed a fine of \$250 in addition to any other fine authorized by law. A second or subsequent violation will result in a \$300 fine;
- (4) Specifies that a person commits the offense of endangerment of an emergency responder if, while in an active emergency zone while emergency responders are present, the person:

FISCAL DESCRIPTION (continued)

- (a) Exceeds the posted speed limit by 15 m.p.h. or more;
- (b) Passes another vehicle;
- © Fails to stop for a flagman, an emergency responder, or a traffic control signal in the active emergency zone;
- (d) Drives through or around an active emergency zone via any lane that is not for motorists;
- (e) Physically assaults, threatens, or attempts to assault an emergency responder with a motor vehicle or other instrument;
- (f) Intentionally strikes or moves barrels, barriers, signs, or other devices for a reason other than to avoid an obstacle, emergency, or to protect the health and safety of another person; or
- (g) Commits various specified offenses that allow for the assessment of points under Section 302.302;
- (5) Specifies that when no injury or death results, a person who pleads guilty to or is convicted of endangering an emergency responder will be subject to a fine of up to \$1,000 and have four points assessed to his or her license. If a death or injury results, the person commits aggravated endangerment of an emergency responder and will be subject to a fine of up to \$5,000 if a responder is injured and up to \$10,000 if death resulted and have 12 points to his or her license; and
- (6) Specifies that any person committing endangerment or aggravated endangerment of an emergency responder as a result of a vehicle's mechanical failure or the negligence of another person will not be cited for or convicted of the offense.

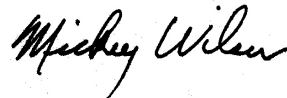
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Public Safety
Office of the State Courts Administrator
Office of Prosecution Services
Department of Revenue
Department of Corrections
Office of the State Public Defender
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration
Office of Administration - Budget and Planning
Department of Social Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Missouri Lottery Commission
Tamey County Ambulance District
Excelsior Springs Medical Center
Springfield Police Department
Jefferson City Police Department
Boone County Sheriff's Department

NOT RESPONDING

Various 911 Contacts



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Director
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